

**REMARKS**

Claims 12-16 are pending in this application. Claims 12 and 16 are amended herein. Upon entry of this amendment, claims 12-16 will be pending. Entry of this amendment and reconsideration of the rejections are respectfully requested.

No new matter has been introduced by this Amendment. Support for the amendments to the claims is detailed below.

**Claims 12-16 are rejected under 35 U.S.C. §103(a) as being unpatentable over Hashizume [JP 10-168339] in view of Schneider [US 2002/0160231].** (Office action paragraph no. 2)

The rejection of claims 12-16 is overcome by the amendments to the claims.

In the rejection, the Examiner cites Hashizume is cited as teaching a method of forming colored magnetic metal flake with a coating comprising an organic pigment such as phthalocyanine, comprising steps of mixing the magnet powder ([0012]) with a solution containing an organic pigment, citing paragraph [0040] as disclosing a slurry formed of permalloy flake, color pigment and mineral spirit, and then drying the magnet powder.

In particular, the Examiner is citing paragraph [0040] of Hashizume as disclosing the treating solution of claims 12 and 16. On pages 4-5 of the Office action, the Examiner states: “it is noted that [‘]solution[‘] will be given [its] broadest possible reasonable interpretation, wherein a slurry of the magnetic powder with pigments and mineral spirit [Hashizume, 0040] would read upon ‘treatment solution’.”

In response, in claims 12 and 16, the recitation of the treating solution has been amended as follows: “a treating solution ~~containing an~~ prepared by dispersing an organic pigment having an average particle major axis diameter in the range of 0.01  $\mu\text{m}$  to 0.5  $\mu\text{m}$  in weakly alkaline water whose pH is controlled to a range of 6.5 to 9.0.” Support for this amendment may be found, for example, at page 12, lines 8 to 11, of the specification.

Applicant submits that the disclosure of paragraph [0040] of Hashizume is explicitly that permalloy flake and **mineral spirits** were inserted in a pot mill containing a blue phthalocyanine color pigment dispersion (which is described in [0039]). The phthalocyanine blue color pigment is disclosed in [0039], and is HELIOGEN BLUE L7072D (BASF), which was ball mill-distributed in the presence of mineral spirits and N-beta-(aminoethyl)-gamma-aminopropyl methyl dimethoxysilane. There is no disclosure or suggestion in Hashizume of a dispersion of the pigment **in weakly alkaline water.**

Claims 12-16, as amended, are therefore not obvious over Hashizume and Schneider, taken separately or in combination.

If, for any reason, it is felt that this application is not now in condition for allowance, the Examiner is requested to contact the applicants' undersigned agent at the telephone number indicated below to arrange for an interview to expedite the disposition of this case.

U.S. Patent Application Serial No. **10/541,454**

Response filed January 21, 2011

Reply to OA dated October 22, 2010

In the event that this paper is not timely filed, the applicants respectfully petition for an appropriate extension of time. Please charge any fees for such an extension of time and any other fees which may be due with respect to this paper, to Deposit Account No. 01-2340.

Respectfully submitted,

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